



News from

Congressman Ron Kind

REPRESENTING WISCONSIN'S THIRD
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Social Security: Sooner Rather than Later, Right Rather than Wrong By Congressman Ron Kind

Although some of us may have different views on how to fix Social Security, I think most of us can agree that Social Security and Medicare have served as two of the greatest poverty reducing programs in the history of the country, providing financial security for millions of people and giving Americans an opportunity to age with dignity and independence. Looking far into the future, we can see that this historic obligation faces long-term challenges we should address sooner rather than later. But it also our obligation to fix it the right way rather than the wrong way.

There are some important dates to be aware of as we discuss how to strengthen Social Security. In 2018, Social Security will be obligated to pay out more to retirees than it takes in from payroll taxes. At that time, the government will have to tap into the Social Security Trust Fund to supplement the payrolls, allowing Social Security to pay full benefits until 2052 according to the nonpartisan Congressional Budget Office. After 2052, retirees will still receive 73-80% of their benefits if we do nothing. Given these facts, it is clear that Social Security faces long-term solvency challenges. However, to say that the system is "bust" or "bankrupt," is inaccurate and misleading. One of the first things we need to do is to agree on the facts. Given what is at stake, it is incredibly important to find the common ground and work in a bipartisan way to find a solution, rather than politicize the terms of the Social Security debate.

I have long believed that we need to fix Social Security sooner rather than later, but I have serious concerns about the President's plan to privatize Social Security, not least of which is borrowing \$5 trillion over the next 20 years to pay for the cost of transitioning to a private account system. This is a multi-trillion dollar proposal that does nothing to extend the solvency of Social Security. What it does do is explode our debt even further and increases our dependency on foreign investors of U.S. debt, hurting our economy and passing the cost on to future generations.

During my recent town-hall meetings around the Congressional district, I heard many concerns about exposing retirement income to stock market risk, the prospect of cuts to guaranteed benefits, and how much control we will actually have over these accounts. I also heard from people open to the idea of investing more into personal retirement savings.

I too believe that we need to do more to encourage personal retirement savings in this country. Private savings accounts such as IRAs and 401(k)s work well for millions of Americans as a

complement to the basic benefit provided by Social Security, but these should be created in addition to Social Security, not in place of it.

I also believe that we need to stop the practice of raiding the Social Security trust fund on one hand and on the other hand claiming the system is going bankrupt, which is why I am sponsoring legislation that will “wall off” the trust fund so it can not be used to pay for other government spending or for tax cuts.

At this time, we still do not have a detailed plan from the President, but his private account idea does nothing to shore up Social Security’s long-term solvency or even address the costs which will arise as the Baby Boomers begin to retire. Rather than rushing to partially privatize the system, which I believe would dismantle Social Security, I am committed to strengthening Social Security in a way that ensures a hardworking American’s right to a secure retirement. While I believe that we need to do this sooner rather than later, it is vitally important that we do it right rather than wrong.

If you missed one of my listening sessions, there is still time to let me know your opinions or questions about Social Security. Please feel free to contact my office at (888) 442-8040. For more information, visit the Social Security Information Center on my website at www.house.gov/kind.